

July, 2010

Dear respected members of the House Ways and Means Committee:

I am submitting the following position, as stated by my national organization, The NEA, which is a succinct explanation stating quite clearly why the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP), which will reduce the Social Security and Social Security survivor benefits that I have adequately and FAIRLY earned, must be repealed.

I quote from the NEA directive:

“NEA strongly supports complete repeal of the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP), which unfairly reduce the Social Security and Social Security survivor benefits certain public employees may receive.

The Government Pension Offset reduces Social Security spousal or survivor benefits by two-thirds of the individual’s public pension. Thus, a teacher who receives a public pension for a job not covered by Social Security will lose much or all of any spousal survivor benefits she would expect to collect based on her husband’s private sector earnings. Congress and the President agreed in 1983 to reduce the spousal benefits reduction from a dollar-for-dollar reduction to a reduction based on two-thirds of a public employee’s retirement system benefits. This remedial step, however, falls well short of addressing the continuing devastating impact of the GPO.

The GPO penalizes individuals who have dedicated their lives to public service. Nationwide, more than one-third of teachers and education employees, and more than one-fifth of other public employees, are not covered by Social Security, and are, therefore, subject to the Government Pension Offset.

Estimates indicate that 9 out of 10 public employees affected by the GPO lose their entire spousal benefit, even though their deceased spouse paid Social Security taxes for many years. Moreover, these estimates do not include those public employees or retirees who never applied for spousal benefits because they were informed they were ineligible. The offset has the harshest impact on those who can least afford the loss: lower-income women. Ironically, those impacted have less money to spend in their local economy, and sometimes have to turn to expensive government programs like food stamps to make ends meet.

NEA receives hundreds of phone calls and letters each month from educators impacted by the GPO. Many are struggling to survive on incomes close to poverty, fearing they will be unable to cover their housing, medical, and food expenses on their meager incomes.

The Windfall Elimination Provision reduces the earned Social Security benefits of an individual who also receives a public pension from a job not covered by Social Security.

Congress enacted the WEP ostensibly to remove an advantage for short-term, higher-paid workers under the original Social Security formula. Yet, instead of protecting low-earning retirees, the WEP has unfairly impacted lower-paid retirees such as educators.

The WEP penalizes individuals who move into teaching from private sector employment, or who seek to supplement their often insufficient public wages by working part-time or in the summer months in jobs covered by Social Security. Educators enter the profession often at considerable financial sacrifice because of their commitment to our nation's children and their belief in the importance of ensuring every child the opportunity to excel. Yet, many of these dedicated individuals are unaware that their choice to educate America's children comes at a price – the loss of benefits they earned in other jobs.

While the amount of reduction depends on when the person retires and how many years of earnings he or she has accumulated, many public employees can lose a significant portion of the Social Security benefits they earned in other jobs. Like the GPO, the WEP can have a devastating impact on educators' retirement security. In addition, many NEA members report that they are subject to double penalties – losing both their own benefits and spousal benefits due to the combined impact of the GPO and WEP.

The GPO and WEP have an impact far beyond those states in which public employees like educators are not covered by Social Security. Because people move from state to state, there are affected individuals everywhere. The number of people impacted across the country is growing every day as more and more people reach retirement age.

Perhaps most alarming, the GPO and WEP are impacting the recruitment of quality teachers to meet urgent national shortages. Record enrollments in public schools and the projected retirements of thousands of veteran teachers are driving an urgent need for teacher recruitment.

At the same time that policymakers are encouraging experienced people to change careers and enter the teaching profession, individuals who have worked in other careers are less likely to want to become teachers if doing so will mean a loss of Social Security benefits they have earned. Some states seeking to entice retired teachers to return to the classroom have found them reluctant to return to teaching because of the impact of the GPO and WEP. In addition, current teachers are increasingly likely to leave the profession to reduce the penalty they will incur upon retirement, and students are likely to choose other course of study and avoid the teaching profession.

NEA strongly supports repeal of the GPO and WEP. We urge the Commission to include recommendations in your report to the President to address these unfair offsets.”

In conclusion I reiterate that for people such as myself who have FAIRLY earned all credit towards Social Security and Social Security Survivor benefits, I do not feel that any reduction of the monies due to me when I am ready to collect Social Security should

be reduced in any way at all. The employers who contributed to my Social Security did so in full. There is NO REASON why my Social Security earnings should be lessened, simply because I am a government employee in the state of Connecticut.

I sincerely hope that in your discussions of the future of Social Security you will fully realize that these laws, the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP) are antiquated and unfair. As a public servant who has also worked in the private sector I full deserve all benefits that I have FAIRLY earned.

Sincerely,

Hedy Siegel

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